

ABSTRACT

A system and method for performing and settling an electronic scrip transaction between a merchant and a member includes a database storing accounts for one or more participating merchants, scrip distributors, sponsoring organizations, and members. The system also includes merchant terminals, scrip distributor terminals, sponsoring organization terminals, and a system manager terminal, which are interconnected to one another, as well as to the database, over a network, and a member scrip card, such as a magnetic stripe card or a smart card. Transaction information, including the transaction amount, is entered at a merchant terminal and sent over the network to a scrip distributor terminal or system manager terminal, and the member's account is automatically debited by the transaction amount. Additionally, merchant loyalty point credit or tuition credit can be awarded and stored for the member in connection with the transaction amount. The merchant's account is automatically credited with a merchant portion of the transaction amount, and the accounts of one or both of the scrip distributor and the sponsoring organization are credited with respective portions of the balance according to percentages on a look-up table also stored in the database.

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